

## EMPLOYEE TRUST FUNDS

Budget Summary						FTE Position Summary				
Fund	2012-13 Adjusted Base	Request		2013-15 Change Over Base Year Doubled		2012-13	Request		2014-15 Over 2012-13	
		2013-14	2014-15	Amount	%		2013-14	2014-15	Number	%
GPR	\$433,100	\$321,100	\$250,100	- \$295,000	- 34.1%	0.00	0.00	0.00	0.00	0.0%
SEG	35,832,200	42,097,600	47,411,100	17,844,300	24.9	260.20	264.20	264.20	4.00	1.5
TOTAL	\$36,265,300	\$42,418,700	\$47,661,200	\$17,549,300	24.2%	260.20	264.20	264.20	4.00	1.5%

### Major Request Items

#### 1. STANDARD BUDGET ADJUSTMENTS

SEG	\$3,183,100
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Request adjustments to the base budget totaling \$1,575,000 in 2013-14 and \$1,608,100 in 2014-15. Adjustments are for: (a) turnover reduction (-\$406,800 annually); (b) full funding of continuing position salaries and fringe benefits (\$1,220,200 annually); (c) overtime (\$45,700 annually); (d) night and weekend differential pay (\$72,500 annually); and (e) full funding of lease and directed moves costs (\$643,400 in 2013-14 and \$676,500 in 2014-15).

#### 2. BUSINESS PROCESSES AND TECHNOLOGY INTEGRATION IMPROVEMENTS

	Funding	Positions
SEG	\$13,573,800	2.00

Request \$4,223,000 in 2013-14 and \$9,350,800 in 2014-15 and 2.0 positions annually for reorganizing ETF's business processes and upgrading and integrating the agency's information technology systems. The request would provide \$3,500,000 in 2013-14 and \$8,500,000 in 2014-15 in supplies and services funding for the Department's automated operating system appropriation to move forward with the replacement, upgrading, and integration of departmental information technology systems. Currently, ETF utilizes a number of separate and incompatible systems, some of which are outdated. The goal of enhancing these systems is to provide better service to active and inactive employees, retirees, and employers participating in the Wisconsin Retirement System, including the provision of online services so that all participants can make routine changes through their own initiative.

In addition, the request includes funding for ETF's administration appropriation (for general program operations) totaling \$723,000 in 2013-14 and \$850,800 in 2014-15. The request includes funding for 2.0 positions that would be utilized for providing counseling services to participants outside of Dane County. This component of the request also includes salary and fringe benefits funding for up to 12.5 limited-term employees that would be utilized to meet

short-term staffing needs and to help make other ETF personnel available to address the issue of improving the overall business processes of the Department. Officials indicate that the Department in 2013-15 will be working to complete: (a) a mapping of its business processes; (b) an analysis of data integrity; (c) the implementation of new infrastructure for ETF's financial systems; (d) procurement and implementation of an integrated benefits administration system; and (e) the overall reengineering of its business processes. This redesign of internal business processes is to be carried out in conjunction with the improvement of the Department's information technology systems.

### 3. BUDGET AND POSITION AUTHORITY FLEXIBILITY

Request statutory changes that ETF officials indicate would allow the Department greater flexibility with respect to budgeting and position authority. These include requests to:

a. Convert the Department's administration appropriation from an annual to a biennial appropriation.

b. Authorize the Department to request funding (SEG) by submitting a request to the Department of Administration and the Joint Committee on Finance for approval under a 14-day passive review process. Under current law, requests for SEG funding modification must be made to the Joint Committee on Finance under s. 13.10, with approval requiring an affirmative vote at a meeting of the Committee.

c. Authorize the Secretary of ETF to propose the creation or deletion of positions by submitting a request to the Department of Administration and the Joint Committee on Finance for approval under a 14-day passive review process. Under current law, position requests must be approved through legislation or by the Joint Committee on Finance under s. 13.10, with approval requiring an affirmative vote at a meeting of the Committee.

### 4. INFLATIONARY INCREASES FOR SUPPLIES AND SERVICES

SEG	\$646,200
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Request \$319,800 in 2013-14 and \$326,400 in 2014-15 in increases to supplies and services funding for added costs relating to inflation, calculated on the basis of changes in the Consumer Price Index (CPI). The changes would affect three appropriation accounts, as follows: (a) \$214,000 in 2013-14 and \$218,300 in 2014-15 for administration costs; (b) \$20,200 in 2013-14 and \$20,700 in 2014-15 for health insurance data collection and analysis contract costs; and (c) \$85,600 in 2013-14 and \$87,400 in 2014-15 for automated operating system costs.

### 5. STATEWIDE WELLNESS INITIATIVE

Request \$147,600 in 2013-14 and \$293,600 in 2014-15 and 2.0 positions annually to continue work on the state employee

	Funding	Positions
SEG	\$441,200	2.00

wellness program. The request for 2.0 positions (\$95,200 in 2013-14 and \$127,000 in 2014-15) would provide staff resources for a more formal implementation of the program. The requested funding would also include \$52,400 in 2013-14 and \$166,600 in 2014-15 for supplies and services relating to the production of promotional and educational materials, website development, program reports, and hosting wellness fairs and educational seminars. The wellness program is a multi-year initiative to improve the overall health status of state employees, with a focus on both prevention and improved health care management for those with chronic conditions. The Department indicates that the wellness program can help to reduce the overall costs of the providing health care coverage to state employees.

**6. RETIRED EMPLOYEES BENEFIT SUPPLEMENT REESTIMATE**

GPR	- \$295,000
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Request a reduction to base level funding of \$112,000 in 2013-14 and \$183,000 in 2014-15 to reflect decreased amounts necessary to pay benefit supplements for retirees who first began receiving annuities before October 1, 1974. These supplements were authorized primarily by Chapter 337, Laws of 1973, 1983 Wisconsin Act 394, and 1997 Wisconsin Act 26. The reestimate is due to a declining number of retirees eligible for these supplements due to deaths. Current base level funding for the appropriation is \$433,100.